

810-5-75-.52 Designated Agent - Dealer, Financial Institution, Pawnshop and Insurance Company Appointments. **(REPEALED)**

(1) The term "Department" as used in this regulation shall mean the Department of Revenue of the State of Alabama.

(2) Every dealer as defined in Section 32-8-2 (2), Code of Alabama 1975, as amended, shall be a designated agent of the Department. A dealer may make application on form MVT 4-1 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(3) A financial institution making mortgage loans on motor vehicles or a pawnshop licensed to enter into pawn transactions for motor vehicle certificates of title, legally authorized to do business in Alabama and having a place of business in Alabama, may make application on form MVT 4-2 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(4) An insurance company, legally authorized to do business in Alabama and having a place of business in Alabama, may make application on form MVT 4-2 to become a designated agent of the Department. If the application is approved by the Commissioner of Revenue, the applicant shall enter into a bond with a corporate surety authorized to do business in this state as surety thereon, approved by the Commissioner of Revenue, payable to the State of Alabama in a sum to be determined by the Department, but in no event less than ten thousand dollars (\$10,000), conditioned on the faithful performance of its duties under the Act. (Bond form MVT 4-3 is provided by the Department.)

(5) The Department shall not appoint an out of state dealer, financial institution, pawnshop or insurance company as a designated agent of the Department. Designated agents of the Department located outside the State of Alabama that were qualified prior to January 1, 2004, may continue to operate as a designated agent of the Department as long as they comply with the requirements of Chapter 8, Title 32 of the Code of Alabama 1975, as amended. Should the designated agent license of an out of state designated agent be cancelled, the designated agent cannot be reinstated.

Author: **James Starling**, Mike Gamble

Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2) and 32-8-34(c), Code of Alabama 1975

History: New rule: Filed May 18, 2004, effective June 22, 2004.

Amended: Filed April 21, 2010, effective May 26, 2010.

Amended: Filed January 6, 2011, effective February 10, 2011.

Amended: Filed January 10, 2013, effective February 14, 2013.

810-5-75-.52 Designated Agent Appointments. **(NEW RULE)**

(1) Under the authority of Section 32-8-34, Code of Alabama 1975, the following entities, which are legally authorized to do business in Alabama and having a place of business in Alabama, shall make application to become designated agents of the Department:

- (a) Automobile dealers
- (b) Manufactured home dealers
- (c) Financial Institutions making mortgage loans
- (d) Pawnshops licensed to enter into pawn transactions on motor vehicles
- (e) Insurance companies

(2) The above entities shall make application on form MVT 4-1 to become a designated agent of the Department.

(3) If the application is approved by the Commissioner of Revenue, the applicant shall deliver to the Commissioner a good and sufficient surety bond, executed by the applicant as principal and by a corporate surety company qualified to do business in the State as surety, in the sum of twenty-five thousand dollars (\$25,000). Such bond shall be conditioned upon the faithful performance of its duties as a designated agent under Chapter 8 of Title 32, Code of Alabama 1975. Such bond shall be payable to the commissioner and shall be in favor of any person who shall recover any judgment for any loss as a result of any violation of the conditions of the bond. Bond form MVT 4-3 shall be provided by the Department.

(4) The Department shall not appoint an entity located outside the State of Alabama as a designated agent of the Department. Designated agents of the Department located outside the State of Alabama that were qualified prior to January 1, 2004, may continue to operate as a designated agent of the Department as long as they comply with the requirements of Chapter 8, Title 32 of the Code of Alabama 1975. Should the designated agent license of an out of state designated agent be cancelled, the designated agent cannot be reinstated.

(5) The provisions of this rule will become operative on December 1, 2014.

Author: James Starling

Authority: Sections 40-2A-7(a)(5), 32-8-3(b)(2) and 32-8-34(c), Code of Alabama 1975

History: